

MINUTES

RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING

October 31, 2013

The 328th meeting of the Rhode Island Higher Education Assistance Authority was held Thursday, October 31, 2013 in the McKenna Conference Room, 560 Jefferson Blvd., Warwick, RI. Chairwoman Ms. LaSalle called the meeting to order at 8:35 a.m.

Board Members in Attendance:

Ms. Faith LaSalle, Chairwoman

Dr. William Croasdale, Vice Chairman

Mr. Dennis Duffy, Esq.

Mr. Daniel Egan

Mr. Christopher Feisthamel, designee for General Treasurer Gina Raimondo

Board Members Absent:

Ms. Patricia Doyle

Mr. Robert Delaney

Mr. John Howell

Also Attending:

Ms. Gail Mance-Rios, Deputy Director

Mr. Marc Lacroix, CFO

Mr. Joseph Palumbo, Esq., Legal Counsel

Mr. Charles Miller, Chief Information Officer

Ms. Dana Peterson-Fatuda, Assistant Administrative Officer

Ms. Linda Makhlouf, Director of Program Administration, HR

**Mr. Thomas Pearce, Interim Director of Program Administration,
Account Resolution**

Ms. Erica Olobri, The Braver Group

Ms. Jill Holloway, Adult Education

1. Approval of the underlying fund changes to Active Age-Based and Risk Based Options within CollegeBoundfund:

A motion was made to accept the investment changes to the CollegeBoundfund by Dr. Croasdale and seconded by Mr. Duffy.

Voted in Favor: Dr. Croasdale, Mr. Egan, Mr. Duffy, Mr. Feisthamel, and Ms. LaSalle.

Voted against: None

2. Review of the RIHEST Audit: Erica Olobri of the Braver Group reviewed the RIHEST Audit.

Dr. Croasdale asked Ms. Olobri about the Gasby, when do we have to adopt 65-66-and 67? Ms. Olobri stated next year 2014. Ms. Olobri stated this will change how we report deferred revenue. Mr. Feisthamel asked are we in-line with the reporting requirements. Mr. Lacroix stated yes, we are ready.

Ms. Olobri asked the board members to review the footnotes on pages 13-26.

Ms. LaSalle asked if a management response letter has been drafted and in the future have the information attached to the report.

Mr. Feisthamel summed up the response for the management letter and stated the following: we have an internal control process, we didn't perform perfectly, but they were performed correctly, there are proper charges incurred in normal operations. The second observation is the reconciliation. We will commit to improve the process. Ms. Olobri offered to write the response letter and send it

to the Finance Committee for approval.

Mr. Palumbo asked whether the response will be ready to send out today in order to meet the November 1st deadline.

Mr. Feisthamel made a motion to accept the report as presented by our outside independent auditors with the instructions to have it completed, printed and mailed today with or without a management response, seconded by Dr. Croasdale.

Voted in Favor: Dr. Croasdale, Mr. Egan, Mr. Duffy, Mr. Feisthamel, and Ms. LaSalle.

Voted against: None

Ms. LaSalle asked the board to begin thinking about the potential College Savings Initiative, and secondly changing the scholarship awards.

There being no further business to come before the Board of Directors the meeting was adjourned. Adjournment was at 9:00 a.m.

Mr. John Howell

Secretary